



City Councilmember
Carl DeMaio

Water Rate Increase Fact Sheet

- **The Proposed Rate Increase Will Make Water Rates 67% Higher Than in 2007**

Typical Monthly Bill Feb. 2007	Typical Monthly Bill March 2011	% Increase
\$43.13	\$72.03	67%

- **The Rate Increase is Called a “Pass-Through” of the Cost of Water, but Salaries and Benefits for City Employees also Contribute to the Increase**

Public Utilities Department Labor Costs		
	FY 2010 Budget	FY 2011 Budget
Positions	1613	1626.42
Personnel Expenses	\$141,038,805	\$152,091,917
Cost per Position	\$87,439	\$93,513
\$ Increase per Position		\$6,074
% Increase		6.95%

- **Administrative Costs at Wholesale Water Agencies Continue to Rise**

Administrative costs at the San Diego County Water Authority continue to rise. These costs are ultimately passed on to San Diego ratepayers.

CWA Administrative Services Department Budget Summary	Annual Budgeted Costs	
	FY 2004/2005	FY 2010/2011
Budgeted Cost of "Labor & Benefits"	\$3,548,799	\$4,875,515
FTE	33.5	35
Budgeted Cost of "Labor & Benefits" per FTE	\$105,934	\$139,300

- **Proposition 218 Allows Affected Property Owners to Protest the Rate Increase**

Fill out a copy of the Prop. 218 protest form, or download a copy at:

<http://www.sandiego.gov/water/>.

- **Managed Competition**

Voters overwhelmingly approved Proposition C in November of 2006, providing the City with a mandate for subjecting City services to competitive bidding against the private sector.

After years of delays, this tool has yet to be fully implemented. The City should be obliged to exhaust all competitive bidding opportunities within the Public Utilities Department before it asks San Diego businesses and working families to pay higher costs for water.

Beyond seeking bids for customer service and billing, the City should also aggressively explore the opportunities available to achieve ratepayer savings through public-private partnership service delivery models.

- **Pension Reform**

At the same time that ratepayers are being asked to pay more for water, costs in the Water Utility Operating Fund have increased. The cost per position increased by more than 7% in the current fiscal year, no doubt driven by the growth in pension costs.

Water Utility Operating Labor Costs*			
	FY 2010 Budget	FY 2011 Budget	% Change
Salaries & Wages	\$44,269,273	\$38,611,408	-12.78%
Fringe Benefits	\$21,676,569	\$24,703,636	13.96%
FTE	785.5	704.3	-10.34%
Personnel Cost per Position	\$ 83,954	\$ 89,902	7.08%

*Does NOT include unfunded cost of retiree health care.

- **End Bid to Goal**

The notorious “Bid to Goal” bonus program received a devastating audit, revealing \$28 million in unsubstantiated bonuses granted to employees in the utility department over three years.

The City has finally announced its intentions to eliminate the program, but needs to follow through on this pledge to ratepayers.